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\* \*\* TRANSMIT CONFIRMATION REPORT \*\*  
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State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Date: APRIL 7, 1994

Number of Pages Including This Cover Sheet: 7

TO:

JOYCE HARTLEY

FRED A. MORETON & COMPANY

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531-6117

FROM:

D. WAYNE HEDBERG

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SUBJECT:

INTERIM RECLAMATION CONTRACT LANGUAGE

CHANGES (LARSON LIMESTONE BOND)

REMARKS:

AS DISCUSSED OVER THE PHONE THIS MORNING,  
I'M FAXING THE "REDLINED" CHANGES TO THE  
RECLAMATION CONTRACT FORM TO REFLECT  
AN "INTERIM" CONTRACT FORM. THE SIGNATURE  
PAGES HAVEN'T CHANGED SO I HAVEN'T  
SENT THEM ALONG. PLEASE REVIEW & ADVISE.

Should you encounter any problems with this copy, or do not receive all the pages, please call

MN9/61

FORM MR-RC

Revised April 1, 1994

**INTERIM** RECLAMATION CONTRACT

File Number \_\_\_\_\_

Effective Date \_\_\_\_\_

**STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340**

**INTERIM  
RECLAMATION CONTRACT**

---ooOoo---

For the purpose of this **INTERIM RECLAMATION CONTRACT** the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) \_\_\_\_\_  
(Mineral Mined) \_\_\_\_\_

"MINE LOCATION": \_\_\_\_\_

(Name of Mine)

(Description) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA": \_\_\_\_\_

(Disturbed Acres)

(Legal Description) \_\_\_\_\_

\_\_\_\_\_  
(refer to Attachment "A")

"OPERATOR": \_\_\_\_\_

(Company or Name)

(Address) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Phone) \_\_\_\_\_  
\_\_\_\_\_



"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

"OPERATOR'S OFFICER(S)":

"SURETY":

(Form of Surety - Attachment B)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

"INTERIM SURETY AMOUNT":

(Escalated Dollars)

"ESCALATION YEAR":

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This **Interim** Reclamation Contract (hereinafter referred to as "Contract") is entered into between \_\_\_\_\_ the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator has been conducting Small Mining Operations under Notice of Intention (NOI) File No. S/049/014 which has been accepted by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, the Division of Oil, Gas and Mining ("Division") has conducted an onsite survey of the mining-related disturbances and has determined that the surface disturbance being used is approximately 20 (twenty) acres in size; and



WHEREAS, Operator, Division and Board acknowledge that the surface disturbance associated with this operation no longer qualifies it as a small mining operation; and

WHEREAS, Operator is in the process of filing a new Large Mining Notice of Intention with the Division within prescribed timeframes to determine with precision the actual amount of reclamation surety needed; and

WHEREAS, the Operator desires to continue ~~conduct~~ mining operations under its accepted Small Mining Permit until a new Large Mining Notice of Intention (NOI) File No. M/049/014 <sup>2237 AH</sup> has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

WHEREAS, Operator, Division and Board have agreed that an interim reclamation contract should be entered into by Operator and the Board and an interim surety be provided by Operator to be effective until Operator's mining and reclamation plan is approved and a final reclamation contract with an accompanying surety can be consummated.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations. Once received and approved by the Division, the Large Mining Operation Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the ~~Surety Contract~~ is in the form of the surety attached hereto as Attachment B and made a part hereof. The surety ~~Contract~~ shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety ~~Contract~~ expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the surety ~~Contract~~, the Operator shall provide a replacement surety ~~Contract~~ in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an



acceptable replacement surety ~~Contract~~, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area. In addition, if the Operator fails to so provide an acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.

3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining ~~as determined by the Board or the Division, as to the extent provided in Section 40-8-7(1)(e) of the Act.~~

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.

5. This Contract shall remain in force until <sup>shall</sup> superseded by a <sup>Final</sup> definitive Reclamation Contract and an accompanying surety based upon an approved reclamation plan covering the Disturbed Area to be defined with particularity therein, which ~~should~~ occur within one year of the date hereof. If the Operator fails to secure an approved definitive Reclamation Contract and an accompanying surety covering the disturbed area within one year after the Effective Date of this Contract, Operator will initiate reclamation or petition the Board for an extension of this Contract, or for such other relief as may be appropriate under the circumstances. The Operator's liability under this Contract may be partially terminated and the amount of the surety adjusted correspondingly, if the Division certifies that the Operator has reclaimed discrete portions of the Disturbed Area in accordance with the Act and implementing rules, the Subject NOI and the reclamation plan, as applicable.

~~5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.~~

~~6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as~~

~~amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.~~

- ~~6.7.~~ Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- ~~7.~~ Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
- ~~8.~~ This Contract shall be governed and construed in accordance with the laws of the State of Utah.
- ~~9.~~ If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
- ~~10.~~ Any breach ~~that the Division finds to be material~~ of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the ~~Division, or Board of Oil, Gas and Mining as appropriate,~~ may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
- ~~11.~~ In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
- ~~12.~~ This Contract ~~including the Notice of Intention, as amended and the Reclamation Plan, as amended,~~ represents the entire agreement of the

parties involved, and any modification must be approved in writing by the parties involved.

- 13.** Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

\_\_\_\_\_  
Authorized Officer (Typed or Printed)

\_\_\_\_\_  
Authorized Officer's Signature  
Date

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY \_\_\_\_\_  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining